

# Senate Study Bill 3012 - Introduced

SENATE FILE \_\_\_\_\_

BY (PROPOSED COMMITTEE ON  
VETERANS AFFAIRS BILL BY  
CHAIRPERSON BEALL)

## A BILL FOR

1 An Act relating to the military service property tax exemption  
2 and credit by increasing the exemption amount, and including  
3 applicability provisions.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 25B.7, subsection 2, paragraph c, Code  
2 2009, is amended to read as follows:

3 c. Military service property tax credit and exemption  
4 pursuant to chapter 426A, ~~to the extent of six dollars and~~  
5 ~~ninety-two cents per thousand dollars of assessed value of the~~  
6 ~~exempt property.~~

7 Sec. 2. Section 426A.2, Code 2009, is amended to read as  
8 follows:

9 **426A.2 Military service tax credit.**

10 The moneys shall be apportioned each year so as to replace  
11 all or a portion of the tax which would be due on property  
12 eligible for military service tax exemption in the state,  
13 if the property were subject to taxation, ~~the amount of the~~  
14 ~~credit to be not more than six dollars and ninety-two cents~~  
15 ~~per thousand dollars of assessed value of property which would~~  
16 ~~be subject to the tax, except for the military service tax~~  
17 ~~exemption.~~

18 Sec. 3. Section 426A.11, subsections 1 and 2, Code  
19 Supplement 2009, are amended to read as follows:

20 1. The property, not to exceed ~~two thousand seven hundred~~  
21 ~~seventy-eight~~ sixteen thousand three hundred dollars in taxable  
22 value of any veteran, as defined in section 35.1, of the First  
23 World War.

24 2. The property, not to exceed ~~one thousand eight hundred~~  
25 ~~fifty-two~~ sixteen thousand three hundred dollars in taxable  
26 value of an honorably separated, retired, furloughed to a  
27 reserve, placed on inactive status, or discharged veteran, as  
28 defined in section 35.1.

29 Sec. 4. APPLICABILITY. This Act applies to property taxes  
30 due and payable in fiscal years beginning on or after July 1,  
31 2011.

32 EXPLANATION

33 Under current law, veterans of the First World War are  
34 entitled to a property tax exemption of \$2,778 and honorably  
35 discharged veterans that serve during other specific time

1 periods are entitled to a property tax exemption of \$1,852.

2 This bill increases the exemption amount for all eligible  
3 veterans to \$16,300.

4 Under current law, the state provides funding to local  
5 governments for the military service property tax exemption and  
6 credit up to \$6.92 per \$1,000 of assessed value of the exempt  
7 property. The bill strikes this state funding limitation  
8 and makes the property tax exemption and credit funding  
9 requirements of Code section 25B.7 applicable to the increased  
10 military service exemption and credit amounts. Code section  
11 25B.7 provides that if a state appropriation made to fund the  
12 credit or exemption is not sufficient to fully fund the credit  
13 or exemption, the political subdivision shall be required to  
14 extend to the taxpayer only that portion of the credit or  
15 exemption estimated by the department of revenue to be funded  
16 by the state appropriation.

17 The bill applies to property taxes due and payable in fiscal  
18 years beginning on or after July 1, 2011.